

**TREASURY - GENERAL**

**STATE INVESTMENT COUNCIL**

**Collateralized Notes and Mortgages  
Permissible Investments**

**Proposed Amendment: N.J.A.C. 17:16-19.1**

Authorized By: State Investment Council, Peter A. Langerman, Director,  
Division of Investment

Authority: N.J.S.A. 52:18A-91

Calendar Reference: See Summary below for explanation of exception to calendar  
requirement.

Proposal Number: PRN 2003-430

Submit comments by December 19, 2003 to:

Peter A. Langerman  
Administrative Practice Officer  
Division of Investment  
PO Box 290  
Trenton, New Jersey 08625-0290

The agency proposal follows:

Summary

The proposed amendment will permit the Division to purchase asset-backed securities (ABS) for the Cash Management Fund. It was the Division's intention to include this fund in its previous amendment proposal, which appeared in the May 5, 2003 issue of the New Jersey Register (see 35 N.J.R. 1869(a), adopted effective August 4, 2003 at 35 N.J.R. 3605(a)); however, the fund's inclusion was inadvertently omitted at that time.

Because the Division is providing a 60-day comment period on this notice of proposal, this notice is exempt from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

#### Social Impact

There shall be no social impact from the proposed amendment.

#### Economic Impact

The proposed amendment has the potential of earning returns that will benefit the beneficiaries of the fund and the taxpayers of the State.

#### Federal Standards Statement

A Federal standards analysis is not required because the investment policy rules of the Division of Investment are under the auspices of the State Investment Council, and are not subject to any Federal requirements or standards.

#### Jobs Impact

The State Investment Council and the Division of Investment do not anticipate that any jobs will be generated or lost by virtue of the proposed amendment.

#### Agriculture Industry Impact

The proposed amendment shall have no impact on the agriculture industry.

#### Regulatory Flexibility Statement

A regulatory flexibility analysis is not required, since the proposed amendment imposes no requirements on small businesses as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., but regulates only the Director of the Division of Investment.

### Smart Growth Impact

The proposed amendment is not anticipated to have an impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

#### 17:16-19.1 Permissible investments

(a) Subject to the limitations contained in this subchapter, the Director may invest or reinvest the moneys of any pension and annuity group, and the Cash Management Fund, in securities which are fully collateralized by high quality mortgage-backed securities; credit card receivables; bank loans; automobile loans; home equity loans; and other forms of collateral provided:

1.-6. (No change.)